



# A CONVERSATION ON RELIGIOUS & CHARITABLE USE EXEMPTIONS

Moderator: Amanda Wolfe

Panelists: Michelle Kirk & Mary Ann Dees

AAAO 2021 Summer Conference

# Today's Topics

- Overview of Constitutional Exemptions
- What Constitutes Religious Use
- Requirements for Charitable Use
- Steps Taken When Reviewing Applications
- Discussion

U 22 W07 L14

CONSTITUTION  
OF THE  
STATE OF ALABAMA,  
AS ADOPTED BY THE  
CONSTITUTIONAL CONVENTION, SEPTEMBER 3, 1901,  
AND IN EFFECT NOVEMBER 28, 1901.

We, the people of the State of Alabama, in order to establish justice, insure domestic tranquility and secure the blessings of liberty to ourselves and our posterity, invoking the favor and guidance of Almighty God, do ordain and establish the following Constitution and form of government for the State of Alabama:

ARTICLE I.

DECLARATION OF RIGHTS.

That the great, general and essential principles of liberty and free government may be recognized and established, we declare:

1. That all men are equally free and independent; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness.

2. That all political power is inherent in the people, and all free governments are founded on their authority, and instituted for their benefit; and that, therefore, they have at all times an inalienable and indefeasible right to change their form of government in such manner as they may deem expedient.

3. That no religion shall be established by law; that no preference shall be given by law to any religious sect, society, denomination or mode of worship; that no one shall be compelled by law to attend any place of worship; nor to pay any tithes, taxes or other rate for building or repairing any place of worship, or for maintaining any minister or ministry; that no religious test shall be required as a qualification to any office or public trust under this State; and that the civil rights, privileges and capacities of any citizen shall not be in any manner affected by his religious principles.

4. That no law shall ever be passed to curtail or restrain the liberty of speech or of the press; and any person may speak, write and publish his sentiments on all subjects, being responsible for the abuse of that liberty.

# Overview of Constitutional Exemptions

Exemption authority comes from the Alabama Constitution

- *The legislature proposes law*
- *Alabama voters approve or disapprove*
- *Property exemption based on ownership and/or use*
- *Codified in Section 40-9-1*

Examples:

- *Property of the U.S. Government, State, counties, cities*
- *Property used exclusively for educational, religious, or charitable purposes*

# Constitutional Exemptions

- Government-owned property is exempted based on ownership alone
- All other property must prove eligibility by passing a three-point test:
  - *Property must be used (not vacant)*
  - *Property must be used for educational, religious, or charitable purposes*
  - *Property must not be used for other purposes (exclusive use)*





# Religious Use

What constitutes religious purposes?

- Comprehensive doctrine
- Established literature
- Education and ordination of ministers
- Regular services
- Members not affiliated with other churches
- Belief in a Supreme Being
- Ecclesiastical government

## Criteria to consider for charitable use:

- Benefits are provided for an infinite number of persons
- Organization's purpose is not to seek a profit for capital stock and no individual will benefit from its dissolution
- Funds are received from donations from non-users
- Services rendered as charity are dispensed to all who need and apply without regard for ability to pay
- No obstacles block those seeking benefits

# Charitable Use

# Steps Taken When Reviewing Applications

Property eligible for a constitutional exemption must be owned/used by the October 1 lien date to qualify for next year's tax exemption



Initial constitutional exemptions should be claimed by January 1

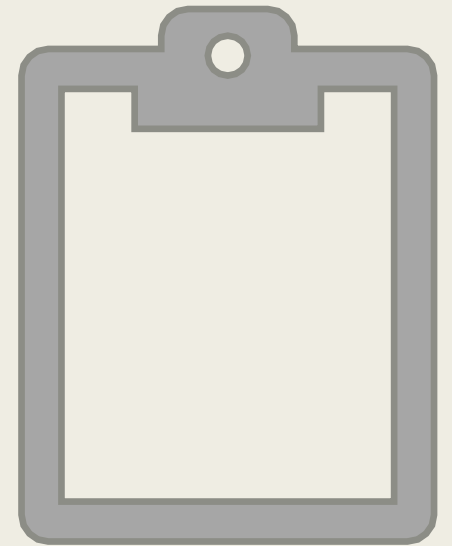
*Failure to claim by this deadline does not disqualify*

*Properties found to be exempt after the deadline should be removed from the current tax year roll*

# Step One

## Collecting Required Documentation

- Exemption Application including,
  - *Owner name and address*
  - *Phone number*
  - *Parcel number and site location*
  - *Constitutional authority*
- Title to the property
- Organizational constitution or by-laws
- Proof of use





## Step Two

# Conducting Field Inspections

It may be necessary to perform a field inspection on property being granted a Constitutional exemption.

- Provides definite proof of exclusive use or not
- Documentation from a field inspection supports decision to approve or deny an exemption
  - *Written report of the findings*
  - *Photographs of the property*

## Step Three

# Final Approval or Denial of Application

- Final decision to approve or deny the application lies with the assessing official
- Written approval or denial of the Constitutional exemption should be given to the property owner
- A letter of explanation detailing the reason for approval or denial should be included to clarify the actions taken





# GROUP DISCUSSION





QUESTIONS?

